

PROPERTY TAX RATE

The proposed property tax rate for FY 04-05 is 56.75 cents per \$100, which is five cents lower than the adopted FY 03-04 rate. However, the recommended rate is 4.25 cents higher than the revenue neutral rate of 52.50 cents. The revenue neutral rate is that rate which would generate revenue growth equal to the average annual growth

experienced since the last property revaluation in 1996. The tax rate for FY 05-06 is currently projected to increase by an additional 3.25 cents. The following chart shows the City of Greensboro tax rates and assessed valuations over the past sixteen years and for the projected two year budget period.

Tax Rates and Valuations

Year	Tax Rate	General Fund	Transit Fund	Assessed Valuation
FY 87-88	.6375	.6375		6,400,384,140
FY 88-89*	.5275	.5275		8,805,442,037
FY 89-90	.5525	.5525		9,152,013,746
FY 90-91	.5950	.5875	.0075	9,598,458,470
FY 91-92	.6100	.6025	.0075	9,853,358,069
FY 92-93	.6600	.6525	.0075	10,000,985,495
FY 93-94	.6700	.6550	.0150	10,349,487,033
FY 94-95	.6700	.6550	.0150	10,710,087,216
FY 95-96	.6700	.6550	.0150	10,883,043,787
FY 96-97*	.5975	.5845	.0130	13,500,898,700
FY 97-98	.6075	.5925	.0150	14,174,257,394
FY 98-99	.5825	.5675	.0150	14,842,657,004
FY 99-00	.5825	.5675	.0150	15,618,162,283
FY 00-01	.5825	.5625	.0200	16,152,476,091
FY 01-02	.5825	.5625	.0200	16,658,812,399
FY 02-03	.6175	.5975	.0200	16,735,458,323
FY 03-04	.6175	.5975	.0200	16,870,000,000 (Esti)
FY 04-05*	.5675	.5500	.0175	20,780,000,000 (Proj)
FY 05-06	.6000	.5825	.0175	21,050,000,000 (Proj)

* Property Revaluation

Property tax revenue in the General Fund is used to support debt service for voter approved bonds and operating expenditures for general services provided by City departments. Annual property value growth is projected remain at relatively low 1% to 1.5% rates during the next two years, placing pressure on the tax rate itself to generate sufficient revenues for ongoing expenses and community supported program enhancements.

The FY 04-05 Recommended Budget contains a property tax rate of 55 cents for the General Fund, or approximately 4.2 cents above the revenue neutral rate of 50.8 cents. Components of this recommended tax rate increase include Police enhancements (approximately one cent), new facility operating expenses and health insurance cost increases (approximately one cent) and an increase in General Fund support for Solid Waste to allow the elimination of the roll out container service fee (about 1.5 cents). A General Fund rate increase in

year two of approximately 3.25 cents is projected to help support increases such as full operation of the refuse transfer station (1.75 cents) and potential further health insurance cost increases (one cent).

The Greensboro Area Transit Authority Fund tax rate was established in FY 90-91 to begin City participation in an improved transit system. The tax was authorized on November 8, 1988, by referendum, in an amount not to exceed 3.5 cents. This rate is recommended to be set at 1.75 cents, which is the approximate revenue neutral rate (1.70 cents) for the Transit Fund.

In FY 90-91, a \$.05 tax levy was requested and assessed on property in College Hill and Aycock Neighborhoods for special historical development in these specific neighborhoods. Based on correspondence with neighborhood leadership, these specific rates will remain at five cents, rather than being adjusted for property revaluation.